city on the planet. You still get the best bang for your buck. Great hotels, great convention facilities, great transportation, great restaurants and a great price.

When you badmouth Las Vegas, you are hurting our major industry, you're hurting your fellow citizens. By taking away their livelihood, you are taking food out of their children's mouths.

Las Vegas is having a very tough time right now. High mortgage fore-closure rate, high unemployment, high bankruptcy rate; we are hurting. Every attack on Las Vegas by my colleagues is a knife in the heart of my city. So I implore my colleagues, stop bashing Las Vegas. Find some other whipping boy. We've had enough. We're not going to take it anymore.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

(Mr. WOLF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE END IS NOT NEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, the end of the war is not near. I might ask, are the troops coming home from Iraq as promised? Not quite. Sixteen months is too quick, so the plan now is to do it in 34 months. The administration claims all the troops will be out of Iraq by the end of 2011. Sure they will.

We're told that 50,000 U.S. troops will still be in Iraq in August of 2010, and we're supposed to cheer. We're told that they won't be combat troops, so we're to believe that means they won't be exposed to any danger. If they are non-combat troops, does that mean they are bureaucrats, policemen, teachers or soldiers without weapons? This will hardly satisfy the Iraqis, who resent any foreign troops at all in their country. A U.S. puppet government protected by 50,000 American soldiers is not the road to peace.

Will the Iranian-friendly Shiite majority not be motivated to take advantage of the instability we have created?

Will the 100,000 Sunni militants we arm and subsidize continue to obey our wishes? It sounds to me like a powder keg exists with the indecisiveness of our Iraqi policy.

There is no intention to close the dozens of military bases that now exist. The world's biggest embassy will remain in Baghdad and incite continued resentment toward the American occupation. Our soldiers will remain easy targets of the rightfully angry nationalists.

Our presence will serve as an incentive for al Qaeda to grow in numbers and motivate more suicide bombers. An indefinite presence, whether in Iraq,

Afghanistan, or Pakistan, will continue to drain our financial resources, undermine our national defense, demoralize our military and exacerbate our financial crisis. All this will be welcomed by Osama Bin Laden, just as he planned it. It's actually more than he had hoped for.

More likely the outcome will be that greater than 50,000 Americans will be in Iraq in August of 2010, especially when the contractors are counted. Violence will accelerate. We will be an occupier at the end of 2011, and we will remain a pariah in the Middle East.

The war in Afghanistan and Pakistan will be much bigger, unless the dollar follows the path of the dollar-based world financial system and collapses into runaway inflation. In this case, the laws of economics and the realities of history will prove superior to the madness of maintaining a world empire financed by scraps of paper.

Our military prowess, backed by a nuclear arsenal, will not suffice in overcoming the tragedy of a currency crisis. Soviet nukes did not preserve its empire or the communist economy.

This crisis demands that we quickly come to our senses and reject the foreign policy of interventionism. Neither credit coming from a Federal Reserve computer nor dollars coming from a printing press can bail us out of this mess. Only the rule of law, commodity money and liberty can do that.

Mr. Speaker, let's consider reinstating the Constitution before it's too late.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HOUSING AND BANKRUPTCY

The SPEAKER pro tempore. Under a previous order of the House, the gentle-woman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, please let me share with you concerns regarding the bill, H.R. 1106, on housing and bankruptcy that were rolled together, four bills rolled together into one likely to come before the House for consideration tomorrow.

□ 1545

First of all, the bill continues and reinforces the seriously flawed mortgage securitization approach to the U.S. housing market. The overarching concentration and securitization of the housing mortgage market by Wall Street bond houses and money center banks are continued in the bill rather than replaced by an approach that restores prudent Main Street lending practices again.

Our housing finance system is far too concentrated. Its system-wide impru-

practices centered securitization process, itself, have done enormous damage domestically and internationally and have ripped neighborhoods and communities apart across our Nation. The bill and related administration actions adhere to and, indeed. expand Wall Street securitization as the fundamental architecture of our Nation's mortgage and loan financial system. The continuation of this risky and imprudent system has converted poorly underwritten, poorly appraised and poorly serviced mortgage loans, the majority a result of predatory lending practices to securitize bond instruments. Financial activity and equity have been drawn out of local regions and have been concentrated in a very few irresponsible and likely fraudulent, in many cases. Wall Street money center banks.

The vast majority of troubled subprime mortgages are held by institutions whose names you know—JPMorgan, Bank of America, Citigroup, HSBC, Wachovia, Wells Fargo—and the proximate cause of the severe economic downturn our Nation is experiencing in the mortgage foreclosure crisis and its consequential seize-up of credit is due to the practices of those institutions.

That seize-up is due to widespread uncertainty about valuing mortgages on the ledgers of those financial institutions and others across our country. Until that uncertainty is repaired by employing the skills of the Federal Deposit Insurance Corporation and by true value accounting at the Securities and Exchange Commission, any bill we might consider here merely bites at the edges of a systemic reform that will fall far short of what is needed. Any major housing bill may be evaluated by whether it contributes to reforming this fundamental financial architecture that has brought our economy to this point.

Responsible lending requires that our financial system re-empower the local banking, local underwriting and local mortgage markets first. Such a reform plan should be a foundation stone that precedes any legislation that proposes to transfer hundreds of billions of dollars more to the very money center banks and servicing companies that have produced the chaos that ails our mortgage lending system. Reform must come first, not last. No matter how well-intentioned any housing bill is, there must be a broader policy context in which it is advanced.

Number 2, the vast majority of people in foreclosure are not in bankruptcy. Different regions of our Nation are likely to be impacted differently, and this bill will not help them, and I place in the RECORD plenty of information about that.

Number 3, the bill will not bring private-sector lenders back to the mortgage market. Thus, it will not restore confidence across the troubled credit markets. You could see that the President announced the program last

month, and the market has already discounted it; the dollar has been further driven down, and our stock markets are even weaker.

Number 4, the bill actually cherrypicks mortgage winners and losers while cramming down the bankruptcy option for others, denying equal justice under property law to all. The bill throws the far larger numbers of homeowners with non Fannie Mae and Freddie Mac troubled loans to the bankruptcy courts, almost like a cramdown, presuming their culpability, while doing nothing to ascertain lender and servicer performance or even guilt in the mortgage contract. In doing so, the bill denies millions of our citizens immediate, full legal rights and representation in legal proceedings.

Number 5, irresponsible and likely fraudulent lenders and servicers should not be rewarded with any more tax-payer-funded money as the bill does. Again, we should be using the FDIC and the SEC as they were properly intended, and that is not being done.

You know, one of the questions we can ask under this bill is: How will Treasury and HUD pick who gets principal awarded and who doesn't under this bill to try to work out a few of the loans that are out there?

Number 6, this proposal creates a future private market incentive to dump troubled loans to Fannie Mae and Freddie Mac that does not restore the market discipline that is necessary.

Number 7, there are no provisions in the bill to recoup funds to the U.S. tax-payer for the significant cost of this bill. The banks, actually, in one provision in the bill will get a little bit if a mortgage appreciates in value once it's sold, but the government will get nothing

Finally, the cost estimates of this bill are truly questionable. The administration says maybe it might cost \$275 billion, but in truth, that is only a guess. If home values continue to plummet and the plan does not succeed in whole or in part, it is likely that the cost of the bill will be much higher. What about if Freddie and Fannie loans redefault? Already, the administration is asking for another \$400 million of additional guarantee authority in those instrumentalities.

In sum, our citizens deserve full justice, not a continuing reliance on the very institutions that brought us to this fork in the road.

Mr. Speaker, tomorrow, the House is scheduled to vote on H.R. 1106

Please let me share with you 8 concerns I have regarding the 4 bills that have now been rolled into one to address the mortgage foreclosure crisis and its bankruptcy provisions.

The first concern is the bill continues, and reinforces, the seriously flawed "mortgage securitization" approach to the U.S. housing market.

The overarching concentration and "Securitization of the housing mortgage market by Wall Street" bond houses and money center banks are continued rather than re-

placed by an approach that restores "Main Street Prudent Lending" practices. Our housing finance system is far too concentrated. Its system-wide imprudent practices, centered in the securitization process, have done enormous damage domestically and internationally, and have ripped neighborhoods and communities apart across our nation.

This bill, and related Administration actions (e.g., the SBA loan securitization provisions of the Recovery Act) adhere to and, indeed, expand "Wall St. securitization" as the fundamental architecture of our nation's mortgage and loan financial system. The continuation of this risky and imprudent system has converted poorly underwritten, poorly appraised, poorly serviced mortgage "loans"—the majority a result of predatory lending practices—to securitized "bond" instruments. Financial activity and equity have been drawn out of local regions and concentrated in a few very irresponsible, and likely fraudulent, Wall Street and money center banks. A handful of these investments houses, which have brought our nation to the financial edge, have converted very recently to bank holding companies to come under the cover of federal insurance protection.

The vast majority of troubled subprime mortgages are held by the following irresponsible, money center institutions or subsidiaries they created—JP Morgan Chase, Bank of America, Citigroup, HSBC, and Wachovia, Wells Fargo. The proximate cause of the severe economic downturn our nation is experiencing is the mortgage foreclosure crisis and consequential seize up of credit across our nation's financial system. This is due to widespread uncertainty about valuing mortgages on the ledgers of financial institutions. Until that uncertainty is repaired, any bill that merely bites at the edges of systemic reform will fall short of what is required.

Any major "housing" bill must be evaluated by whether it contributes to reforming this fundamental financial architecture that has brought our economy to this point. If not, it will not restore a rigorous and prudent lending model for home loan origination and servicing, with disciplined secondary markets. If reform does not occur, financial power will continue to be concentrated on Wall Street and money center institutions, and equity drawn away from to local communities. Responsible lending requires that our financial system re-empower the local banking, underwriting, and mortgage markets. Such a reform plan should be the foundation stone that precedes any legislation that proposes to transfer hundreds of billions of dollars more to the money center banks and servicing companies that produced the chaos that ails our mortgage lending system. Reform must come first, no last. No matter how well intentioned any housing bill, there must be a broader policy context in which it is advanced

The 2nd concern is the vast majority of people in foreclosure are not in bankruptcy. Different regions of our nation are likely to be impacted differently. This bill will not help them.

The bill's partial and confusing approach to who will be helped, and who will not be helped in their housing situation, will exacerbate the economic crisis, not ease it. Far from being a systemic solution to the housing credit and foreclosure crisis, this bill cherry picks some "winners" who will achieve mortgage workouts. The anticipated Obama plan will address

only some mortgage holders whose mortgages happen to be held by Fannie Mae and Freddie Mac. The majority of mortgages not held by Fannie Mae and Freddie Mac will not be addressed by the Obama plan. This omission represents the vast majority of subprime, troubled mortgages in our nation. Federal tax-payer-funded subsidies, thus, will flow to help workout only those loans held by federally guaranteed secondary market instrumentalities.

Furthermore, the complexity of this bill means as well as the Obama plan any benefits are likely to be uneven rather than systemic. Some loans owned by Freddie and Fannie will be targeted; the vaster number of subprime loans will not be considered. In regions like Ohio, where the recession has worn on and deepened over this decade, it is unclear who may benefit. At best there are rough estimates available now, state by state, as to how many loans may be eligible or affected. Most of the borrowers who aren't in either FNMA/Freddie will be out of luck in the Obama plan. States like Ohio and Michigan could be absent workout assistance again, or with minimal impact, as they have been under the Hope for Homeowners Bill, rushed through Congress last July, wherein only 25 homeowners have been assisted. It is conceivable that many greedy consumers, whose loans happen to be owned by Fannie and Freddie, could be helped, while the majority of families in states like Ohio, where foreclosures are rising, will not get help as their loans are largely subprime. What is fair about this?

The 3rd concern is the bill will not bring private sector lenders back into the mortgage market. Thus, it will not restore confidence across the troubled credit markets.

Why? This bill is uneven, lacks clarity, and is even confusing in picking who might be assisted, and who might not be assisted. Thus, the bill will cause more market disruption. As in the Obama plan's announcement last month, it was discounted by the market and already has further driven down the value of the dollar and our stock markets. The market knows this bill will not address the fundamental problems of seized credit markets and lack of interbank confidence plaguing our banking system.

The 4th concern is the Obama plan cherry picks mortgage winners and losers, while this bill crams down the bankruptcy option for others, denying equal justice in property law to all. As a last resort this bill throws homeowners to the bankruptcy courts-almost like a cramdown presuming their culpability-while doing nothing to ascertain lender and servicer performance, and even guilt, in the mortgage contract. In so doing, the bill denies millions of our citizens full legal rights and representation in legal proceedings about their Mortgage contract—as well as a complete mortgage audit. The courts should weigh the interests of all parties in the mortgage contract. Normal judicial proceedings could yield that. The bankruptcy option relegates normal judicial proceedings to second place to determine lender culpability. Mortgagors need primary attention not secondary and equal legal representation when confronting Wall Street megabanks and servicers, as mortgage fraud and predatory practices pervaded the sick housing system America faces today. This bill throws citizens into bankruptcy court before real justice and transparency of the mortgage instrument as a

contract is unwound in a court of law. Are borrowers the only party to the mortgage contract? The bill does not provide equal justice as lenders, banks, and servicers responsible are held harmless legally, and some even provided funding. What unequal justice is this?

The 5th concern is irresponsible and likely fraudulent lenders and servicers should not be rewarded with more taxpayer-funded money, as the Obama plan does. The normal federal institutions skilled in mortgage workouts, and bank insolvencies, should be engaged—the Federal Deposit Insurance Corporation and the Securities and Exchange Commission.

Lenders and servicers should be required by legislation to participate in mortgage workouts. Our government shouldn't be paying lenders or servicers anything to get them to participate. It is likely mortgage and accounting fraud were endemic across several institutions, as well as lack of proper reporting back to mortgagors under the Truth in Lending and Real Estate Practices Act. Frankly, workouts systemwide should have been occurring in the time-proven way-by engaging FDIC's full powers along with updating the SEC's approach to true value accounting for real estate loans held on the books of lenders. As this still is not being done, the economic harm gets worse daily. The TARP Bailout gave power to the wrong federal department to handle real estate workouts. Treasury had had no experience in real estate lending. Treasury has never been the appropriate federal agency to do bank and mortgage workouts. Its focus has always been Wall Street. Their record since TARP has demonstrated they have done nothing to get the banks and servicers to the table to do workouts as a result of the billions the banks have received from TARP. Now, under the Obama plan, how will Treasury and HUD pick who gets principal funds and who doesn't?

The 6th concern in the Obama plan creates a future private market incentive to dump troubled loans to FNMA and Freddie.

In the way this legislation favors loans held by FNMA and Freddie Mac, it does not restore prudent lending rigor to the marketplace, but signals that the government will become the dumpster for troubled loans. Again, this bill's architecture sends the wrong message to the market.

The 7th concern is there no provisions in the Obama plan to recoup funds to the U.S. taxpayer for the significant cost of the bill.

Any federal assistance to homeowners should include provisions to recoup to the government some portion of the appreciation of any housing assets that may be available on sale of affected units. The Obama plan does provide such recoupment to the bank, in the case of reworked FNMA/Freddie loans, but not to the government which is assuming a huge additional guarantee risk. The Administration plan is silent on such recoupment to the U.S. government.

The 8th concern is the cost estimates for the Obama plan are questionable.

Cost estimates provided by the Administration total at least \$275 billion. But, in truth, they represent only a guess. If home values continue to plummet, and the plan does not succeed in whole or part, it is highly likely the cost of the plan will rise much higher. Further, it is highly uncertain whether many Freddie and FNMA loans will not redefault, increasing long term costs. Already, the Administration is

requesting increased guarantee authority on both be raised a total of \$400 billion more. An overriding concern remains that most subprime loans at the heart of the foreclosure crisis are not held by FNMA/FreddieMac. Lack of resolution in that segment of the market will further pull down home values and exacerbate the situation. To add some perspective, there is a real question as to whether the \$75 billion dedicated to loan modifications will be significant enough to right the market. Ohio alone needs \$20 billion to fill its housing finance gap. This plan might help places like California where the housing bubble burst but its impact in Ohio is unclear, where the recession has dragged on for 8 years. People need adjusted home mortgage, and even rent-to-own rental schedules. These must be negotiated one by one. The Administration plan will not help the vast majority of underwater homeowners because their plan is not systemic in its approach.

In sum, this bill and the Obama plan do little to nothing to address the fundamental cause of crisis—widespread and overuse of concentrated securitization practices, mortgage and appraisal fraud, and the seize up of credit markets due to improper use of federal instrumentalities in attempting to resolve the situation

Our citizens deserve full justice, not continuing reliance on the very institutions that brought us to this fork in the road.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CALVERT) is recognized for 5 minutes.

(Mr. CALVERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FEAR MONGERING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

Mr. GOHMERT. Mr. Speaker, you know, we have heard so much about global warming for so long. It is interesting, though: We're now hearing the term "climate change." Has anybody started to ask why we're no longer hearing about global warming as being the evil thing and now we're hearing climate change is the evil thing?

You know, I try to figure it out. All I can figure is that we're getting data indicating that the Earth may have been cooling for some time now. Groups that are getting enormous contributions, maybe even Nobel Prizes, whatever, by claiming global warming realized, uh-oh, if we're going to keep the money flowing in, we'd better be able to adapt in case the world is cooling instead of warming, so let's start saying we've got to do something about climate change. From my standpoint, that would mean we have to have some real serious discussions with the sun and with God. Nonetheless, climate change is now evil.

I read an article recently that indicated that, you know, when we've been saying these greenhouse gases are trap-

ping the heat in, it just may be that those carbon dioxide/greenhouse gases are causing the sun to bounce off into space and that they may be cooling the planet. They're going to have it either way, apparently. It's warming. It's cooling. They want to be alarmists because that allows a socialist agenda to come forward, and it allows the government to become big brother and run everything.

You know, the wonderful Democratic Party member teachers who I had growing up, they were fantastic. In junior high, we were talking about photosynthesis and how a plant can take carbon dioxide and end up producing oxygen out of the process. It would seem that it would be cyclical. If you look at the patterns of the Earth, what we have are cycles up and down. The temperature goes up, and the temperature goes down over time—back up and down. You have more greenery. More carbon dioxide will apparently help that to grow. Then if we get too much, we'll start having too much oxygen and not enough carbon dioxide. It's just amazing how nature addresses these issues by having cycles where it comes and it goes.

But if you're in government and you want to control everything, you have got to scare people. You have got to have people alarmed, and that's what we're hearing over and over here on the floor of the House: Let's scare America. Let's make them be afraid of carbon dioxide because—guess what. If we really had the responsibility of regulating carbon dioxide, I can tell you from personal experience there are some people around here who are breathing too much. We're going to have to cut out some of this breathing because there's a whole lot of breathing going on, and that's too much carbon dioxide. That is how absurd it has been getting. You know, Congress is not the answer to evervthing that's wrong with the world. It's just not.

Then we've got this omnibus spending bill that was passed last week. Maybe the Senate passes it tomorrow night. It was irresponsible. It was immoral. We as a generation, in effect, have gone to the bank—in this case China—as our Secretary of State has and has just asked them to "keep buying our debt, please." We go to China as the bank and say, "Please, keep buying our debt. We're going to borrow money. We're not going to pay you back, but our children and our grandchildren will take care of paying you back." That is immoral. That is irresponsible for a parent to borrow money and say, "My children someday will pay you back because I can't control my spending. I'm just throwing money away, but they'll pay it back someday." That is not what we should be doing.

Now, at the same time, we on the Natural Resources Committee are having hearings all the time. People don't realize we're putting more and more of our natural resources off limits. Every